
**Agriculture & Natural Resources
Committee**

HB 1999

Brief Description: Creating a state revolving loan fund to provide financial assistance to local governments for the conservation of working farms and forests.

Sponsors: Representatives P. Sullivan, Priest, Appleton, Morrell, Simpson and Linville.

Brief Summary of Bill

- Creates the "farm and forest conservation revolving fund" to be managed by the Department of Community, Trade, and Economic Development.
- Allows public bodies to apply for a loan to finance conservation projects or to steward or manage conservation land.

Hearing Date: 2/15/07

Staff: Jessica Nowakowski (786-7291).

Background:

Washington law defines farm and agricultural conservation land as any parcel of land that is 20 or more contiguous acres and is: (a) devoted primarily to the production of livestock or agricultural commodities for commercial purposes; (b) enrolled in the federal conservation reserve program or its successor administered by the United States Department of Agriculture; or (c) used for other similar commercial activities as may be established by rule.

Land that is not classified as traditional farmland may also be conservation land if it has not been irrevocably devoted to a use inconsistent with agricultural uses and has a high potential for returning to commercial agriculture.

Summary of Bill:

Conservation Revolving Fund

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The farm and forest conservation revolving fund (fund) is created to provide financial assistance to local governments for the conservation of working farms and forests. The fund will be managed by the Department of Community, Trade, and Economic Development (Department).

Any public body (including state agencies, counties, cities or towns, or other political subdivisions of the state) may apply for a loan from the fund to finance conservation projects or to steward or manage conservation land. Conservation projects are considered to be any acquisition by a public body of conservation land that provides multiple public benefits for habitat, water quality and quantity protection, recreation, and scenic character. These activities must promote environmental protection or enhancement, health or human safety, and can be done either directly or by contract with another public body, nonprofit corporation, or other entity.

Land that is preserved as a result of a fund loan must continue to be worked economically for agricultural or timber production and must result in permanent conservation of the land to farm or forest.

Administration of Fund

The fund will be administered by the Department. The Department must create any procedures or standards necessary to carry out the provisions by rule and cooperate with local, regional, and interstate entities regarding farm and forest conservation priorities. Funds will be held in custody of the State Treasurer and will consist of:

- All funds appropriated or authorized by the Legislature for deposit to the fund;
- Any revenue derived from gifts or bequests pledged or donated to the state for the purpose of providing financial assistance for farm or forest conservation activities;
- Repayments of monies borrowed from the fund;
- Interest payments made by borrowers from the fund; and
- Other fees or charges levied in conjunction with administration of the fund.

Loan repayments must begin no later than one year after the conservation project has been funded. Payment may only be deferred if the Department certifies that the conservation land failed to generate sufficient positive cash flow to fund payments.

Public bodies seeking conservation fund loans are required to submit an application to the Department that:

- Demonstrates that the farm or forest conservation activity will achieve multiple public benefits if the land is protected as an economically active farm or forest property;
- Includes letters of support from stakeholders and qualified experts or includes conservation priority processes in county comprehensive plans, salmon recovery plans, or habitat or biodiversity management plans; and
- Demonstrates that the public body has sufficient legal authority to incur the debt for which it is applying.

Beginning June 20, 2009, the Department will present a biennial progress report to the chairs of the Senate Committee on Ways and Means and the House Committee on Appropriations. The report will consist of a detailed list of each recipient of funds, the project description, an explanation of the use of monies, and the loan amount. Subsequent reports are due on December 31 of each succeeding biennium.

Appropriation: None.

Fiscal Note: Requested on February 11, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.